GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:1632
ANSWERED ON:13.03.2002
VIOLATION OF MRTP ACT BY KENDRIYA BHANDAR & SUPER BAZAR
ARUN KUMAR;RAMJI MANJHI;SUDHA YADAV

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether the Government have issued any instruction to Government offices to purchase stationary and other items only from Kendriya Bhandar, Super Bazar and NCCF;

(b) if so, the details and reasons therefor;

(c) whether the CAG in its report 8 of 1999 has adversely criticized this and asked for the review of the instructions;

(d) whether those instructions have not been reviewed so far;

(e) if so, the reaction of the Government thereto alongwith action taken/propose to be taken in this regard;

(f) if not, reasons therefor; and

(g) the measures being taken to check rates and encourage competition in the field?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINIS PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE. (SMT.VASUNDHARA RAJE)

(a)&(b): As per DOPT`s OM NO.14/14/80-Welfare dated 14.7.81(as amended from time to time)Kendriya Bhandar, Super Bazar and NCCFare the approved agencies for supply of stationery and other items to the Central Government offices etc. located in Delhi/New Delhi and for Government office located outside Delhi, the approved agencies are the local Central/wholesale consumer cooperative Societies and branches of Kendriya Bhandar/NCCF located in such areas.

The above instructions were issued keeping in view the then policy of the Government of India to encourage cooperative movement. A copy of the OM dated 14.7.81 (as amended) is enclosed.

(c)to(f): CAG in its report No. 8 of 1999 Union Government (Defence Services Air Force and Navy) has inter alia observed that Government should review the existing instructions on the subject and lay down the items to be purchased from the cooperative without tender. Since the said OM has wider implications, this is being reviewed in consultation with all concerned including Ministry of Finance. A final decision is expected to be taken shortly.

(g): Generally the prices of most of the items in these cooperatives are found to be lower than market price. Kendriya Bhandar encourages manufacturers/authorised distributors to compete in rate contract tenders in order to get the best possible rates for its consumers.

No.14/14/80-Welfare
Government of India
Department of Personnel & A.R.

(Ministry of Home Affairs)

New Delhi, the 14th July, 1981.

OFFICE MEMORANDUM

Subject: Local purchase of stationery and other articles from the Central Government Employees Consumer Co-operative Society Limited, New Delhi.

The undersigned is directed to refer to this Department`s Office Memorandum No.14/14/80-Welfare dated the 20th June, 1980, on the subject mentioned above in which it was stated that all local purchases of official requirements of articles of stationery, sanitary, electrical and other items be made through the Central Government Employees Consumer Co-operative Society Limited, New Delhi without going through the eleborate procedure of calling for quotations and/or rate list. Subsequently, it was clarified vide this Department`s Office Memorandum of even number dated the 16th May, 1981 that while purchase upto Rs. 250/- can be made from the Co-operative Society without calling for tenders, where purchases are in excess of this limit, the provisions of the General Financial Rules will apply and tenders are to be invited as laid down in chapter 8 of the General Financial Rules, 1963.

2. The matter has since been reviewed. It is one of the avowed objectives of the co-operative movement to ensure supply of goods and services to the consumers at the most economical and competitive prices. Taking note of this commitment, the Department of Cooperation had issued general guide lines as early as 1968 to all state Governments and Union Territories to the effect that Government offices should patronize consumer cooperative stores while making purchases of their requirements. This was reiterated in another circular letter addressed to all State Governments etc. in March, 1972, by the Department of Cooperation. It has been stated in that letter that consumer cooperatives, especially departmental stores, which have received substantial financial assistance from Government and are subject to statutory supervision and control by the registrars of Cooperative Societies and State Governments are the most suitable agencies for supply of consumer goods at fair and reasonable prices and that while rendering honest and efficient service, their dealings are free from malpractices often indulged in by private traders such as profiteering, adulteration, sale of spurious and sub-standard goods, underweighment and tax evasion. This Department, therefore, felt that there was no reason why guidelines issued by the Central Government to State Governments and Union Territories should not be made applicable to the Central Government Departments in the matter of purchases made by them.

3. The Central Government Employees Consumer Cooperative Society Limited, New Delhi, which was set up in 1963 as a well measure to provide articles of daily necessities to Government employees at reasonable prices, functions under the supervision and control of the Department of Personnel & A.R. Besides substantial investments made in the share capital of the Society, the Government have been providing financial assistance to it from time to time by way of subsidy, loans, cellateral guarantee against borrowings etc. The Chairman of the Board of Directors of the Society is a Joint Secretary of the Department of Personnel & A.R. who exercises direct and close control over its activities.

4. Keeping the background set out in paragraph 2 and 3 above, the Ministry of Works & Housing and Department of Supply who were consulted, have agreed that it may be made incumbent on all Central Government Departments, their attached and subordinate offices and other organizations financed and/or controlled by the Government located at Delhi/New Delhi to make all local purchases of stationery and other items required by them only from the Central Government Employees Consumer Cooperative Society Limited, New Delhi. Only if the society is not able to supply, a particular item, will it be permissible for them to make local purchase from other sources.

5. The prices of the various articles sold through the outlets of this Society are, by and large, less than obtaining in the market. Keeping this aspect in view, the Ministry of Finance have agreed to waive the procedure laid down in chapter 8 of the General Financial rules regarding calling of tenders for such purchases as are made from the Central Government Consumer Co-operative Society Limited. However, with a view to provide a safeguard for ensuring quality as well as fair price, it has been decided that articles as are generally indented for by Government Departments etc. will be fixed by a Committee consisting of a representative each of the Department of Supply, Works and Housing and the Central Government Employees Consumer Cooperative Society and the prices so fixed will remain in force for a period of three months. The General Manager of the Society will send to the indenting organizations from time to time the detailed list of articles available with the Society.

6. It is requested that the instructions contained in this Office Memorandum may kindly be noted carefully and complied with in respect of local purchases to be made by Government Departments etc., hereafter, Ministries/Departments are also requested to instruct their attached and subordinate offices as well as autonomous bodies and public sector undertakings under their control to allow the same procedure for obtaining their requirements of stationery and other items from the society.

7. This issues with the concurrence of the Ministry of Finance Department of Expenditure vide their U.O. No. 4747/JS (per) dated 14th July, 1981.

(Hindi version will follow)

Sd/-
T. Ramaswami
Joint Secretary to the government of India

To

All Ministries/Departments of the
Government of India

No.14/1/88-Welfare (Vol.II)
Government of India
Ministry of Personnel, P.G. and Pensions

(Department of Personnel and Training)

Lok Nayak Bhawan, New Delhi, the 11.4.94

OFFICE MEMORANDUM

Subject: Local purchase of stationery and other articles by the Central Government offices located in Delhi/New Delhi and outside Delhi-Instructions regarding.

The undersigned is directed to refer to this Department`s Office Memorandum No.14/3/88-Welfare dated 4.2.88 and No.14/2/89-Welfare dated 28.2.89 wherein it has been stated that Central Government Departments and their Attached and subordinate offices and other organisations financed and/or controlled by the Government located in Delhi and outside Delhi may make all local purchases of stationery and other items required by them either from the Kendriya Bhandar or the Super Bazar, Delhi and offices located outside Delhi shall made such local purchases from the local Central/Wholesale Consumer Cooperative Societies, Kendriya Bhandar located therein. Only it they not able to supply a particular item, such purchases should be made from other sources as per rules after obtaining a `NO OBJECTION CERTIFICATE` from them.

2. It was also stated therein that the Central Government offices etc. located in Delhi and outside Delhi may make purchases of file covers from the Khadi and Village Industries Commission/Khadi and village Industries Commission units or products of KVIC from Super Bazar/Kendriya Bhandar.

3. The matter relating to inclusion of National Cooperative Consumers Federation on India Limited (NCCF) for the purpose of loca purchase of stationery by the Central Government offices was under consideration for some time in this Department. It has now been decided to include NCCF as an agency for supplying of stationery and other items required by the Central Government offices located in Delhi and New Delhi and outside Delhi. In view of this, all Central Government Departments and their attached and subordinate offices and other organizations financed and/or controlled by the Central Government, located in Delhi/New Delhi may also w.e.f. 1.4.1994 make all local purchase of stationery and other items required by them from the NCCF.

4. All Ministries/Departments are required to ensure compliance of these instructions and also bring them to the notice of their attached and subordinate offices, autonomous bodies and Public Sector Undertakings etc. under their control located in Delhi/New Delhi and outside Delhi for strict compliance.

(S.K. Dasgupta)
Under Secretary to the Govt. Of India

To
All Ministries/Departments of Government of India etc. etc.

No.14/6/87-Welfare
Government of India/Bharat Sarkar
Department of Personnel and Training

(Karmik aur Prashlkshan Vlbhag)

New Delhi, the 19th August, 1987

OFFICE MEMORANDUM

Subject: Local Purchase of stationery and other articles from the Central Government Employees Consumer Cooperative Society Ltd., New Delhi.

The undersigned is directed to refer to this Department`s O.M. No. 14/14/80-Welfare dated the 14th July, 1981 on the subject mentioned above wherein it was stated that all local purchases of official requirements be made through Central Government Employees Consumer Cooperative Society Ltd., New Delhi.

2. The matter has since been reviewed while instruction`s contained in this Department`s O.M. dated 14.07.81 referred to above will continue to be followed. It has been decided that all Central Government departments and their attached and subordinate offices and other organizations financed and/or controlled by the Government located at Delhi/New Delhi may with effect from 01.01.88 make all local purchase of stationery and other items required by them either from the Kendriya Bhandar or the Super Bazar, Delhi. Only if the Society or Super Bazar is not able to supply a particular item, such purchases should be made from other sources as per rules after obtaining a `No Objection Certificate` from them.

3. All Ministries/Departments are requested to ensure compliance of these instructions and also bring to the notice of their attached and subordinate offices, autonomous bodies and public sector undertakings, etc. under their control located at Delhi/New Delhi for strict compliance.

(HARSH BARDHAN)
Under Secretary to the Government of India

To
All Ministries/Departments of Government of India etc. etc.

No.14/3/88-Welfare
Government of India
Department of Personnel and Training

New Delhi, the 4th February, 1988.

OFFICE MEMORANDUM

Subject:- Local purchase of stationery and other articles by the Government offices outside Delhi.

The undersigned is directed to refer to this Department`s O.M. No. 14/6/87-Welfare dated the 19th August, 1987 wherein it has been decided that all Central Government departments and their attached and subordinate offices and other organizations financed and/or controlled by the Government located at Delhi/New Delhi may with effect from 1-1-88 make all local purchase of stationery and other

items required by them either from the Kendriya Bhandar or the Super Bazar, Delhi.

2. The matter has further been reviewed. It has been decided that all Central Government Departments and their attached and subordinate offices and other organizations financed and/or controlled by the Central Government, located outside Delhi/New Delhi may with effect from 1.1.88 make all local purchase of stationery and other items required by them from the local Central/Wholesale Consumer Cooperative Society, Kendriya Bhandar (Central Government Employees Consumer Cooperative Society Ltd.) located therein, if any. Only if the Society is not able to supply a particular item, such purchases should be made from other sources as per rules after obtaining a `No Objection Certificate` from them.

3. All Ministries/Departments are requested to ensure compliance of these instructions and also bring them to the notice of their attached and subordinate offices, autonomous bodies and public sector Undertakings, etc. under their control located outside Delhi/New Delhi for strict compliance.

(HARSH BARDHAN)
Under Secretary to the Government of India

To

All Ministries/Departments of Government of India etc. etc.